

Change Management in The Digital Transformation Era: Challenges and Solutions for Organizations

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ABSTRAK

Penelitian ini bertujuan untuk mengeksplorasi tantangan dan solusi dalam manajemen perubahan yang dihadapi oleh organisasi dalam proses transformasi digital. Dalam era yang ditandai dengan perkembangan teknologi yang cepat, organisasi harus dapat beradaptasi dengan perubahan digital untuk tetap kompetitif dan relevan. Namun, proses ini tidak selalu berjalan mulus, karena banyak organisasi menghadapi tantangan seperti resistensi terhadap perubahan, kesenjangan keterampilan digital, dan kesulitan dalam menjaga keseimbangan antara adopsi teknologi dan budaya organisasi yang ada. Penelitian ini menggunakan pendekatan kualitatif dengan wawancara mendalam dan studi kasus untuk menganalisis bagaimana organisasi menghadapi tantangan tersebut dan solusi yang mereka terapkan untuk mengatasi hambatan-hambatan ini. Hasil penelitian menunjukkan bahwa kepemimpinan yang kuat, pelatihan keterampilan digital yang efektif, dan komunikasi yang jelas menjadi faktor utama dalam keberhasilan manajemen perubahan. Penelitian ini menyarankan pentingnya mengintegrasikan transformasi digital dengan budaya organisasi yang mendukung inovasi dan kolaborasi.

Kata Kunci: Manajemen Perubahan, Transformasi Digital, Resistensi terhadap Perubahan, Kesenjangan Keterampilan Digital

ABSTRACT

This study aims to explore the challenges and solutions in change management faced by organizations during the digital transformation process. In an era marked by rapid technological advancements, organizations must adapt to digital changes to remain competitive and relevant. However, this process is not always smooth, as many organizations encounter challenges such as resistance to change, digital skills gaps, and difficulties in balancing technology adoption with existing organizational culture. This research adopts a qualitative approach using in-depth interviews and case studies to analyze how organizations confront these challenges and the solutions they implement to overcome them. The findings indicate that strong leadership, effective digital skills training, and clear communication are key factors in the success of change management. This study emphasizes the importance of integrating digital transformation with an organizational culture that supports innovation and collaboration.

Keywords: Change Management, Digital Transformation, Resistance to Change, Digital Skills Gap

INTRODUCTION

In the era of globalization and rapid technological advancement, digital transformation has become an inevitability for organizations around the world. Information and communication technologies (ICT), such as artificial intelligence (AI), big data, cloud



computing, and the Internet of Things (IoT), have fundamentally changed the way organizations operate, interact with customers, and create added value. Digitalization is no longer just a strategic option but a primary necessity for survival in an increasingly competitive and disruptive world. Therefore, to remain relevant and competitive, organizations are required to continuously innovate and implement changes across various aspects, including business models, operations, and social interactions.

However, digital transformation involves more than just technological aspects. The profound changes also impact the internal structure of organizations, such as managerial processes, communication methods, organizational culture, and human resource (HR) competencies. In this context, change management plays a crucial role in ensuring that the transition toward digitalization occurs effectively and efficiently. Organizations must not only adopt new technologies but also align work processes and internal values to fully leverage the potential of technology. This makes change management a key determinant of the success or failure of digital transformation efforts in many organizations.

Although digital transformation promises great opportunities, many organizations face various challenges in its implementation. These challenges include resistance to change, where employees may feel anxious or reluctant to adapt to new technologies, and the digital skills gap, which hampers smooth technology implementation. Furthermore, many organizations lack strong leadership in the digital domain, which ultimately leads to failure in guiding change in a structured and measurable manner. The absence of effective communication regarding the change vision may also result in confusion among employees, affecting their readiness to embrace change.

Nevertheless, each organization faces unique challenges and dynamics in managing this transformation. Therefore, it is essential to conduct in-depth research on how specific organizations manage change. Using a qualitative approach, this study aims to explore real experiences of organizations in dealing with and managing digital transformation, as well as to analyze the change management strategies they have applied to overcome the challenges they face.

This research is important due to the limited studies that deeply examine how organizations in Indonesia or specific sectors deal with digitalization challenges, particularly from a change management perspective. By uncovering real-life experiences, this study is expected to provide practical insights that will benefit other organizations undergoing or planning their own digital transformation. Through this research, strategic solutions are expected to emerge to optimize change management in facing the increasingly advanced and dynamic era of digital transformation.

METHODS

This study uses a qualitative approach with the aim of gaining an in-depth understanding of change management in the context of digital transformation within organizations. A qualitative approach was chosen because this research seeks to holistically comprehend the experiences of organizations in managing changes brought about by the adoption of digital technologies. This approach allows the researcher to explore broader contexts and dynamics and to gain insights that cannot be explained solely through numbers or quantitative data.

The method used in this research is a case study focusing on several organizations that have undergone digital transformation processes. The case study method was selected because it enables the identification and in-depth analysis of the change process within real-life contexts, as well as exploration of the challenges and solutions faced by these organizations. In this case study, the researcher will conduct in-depth interviews

with key stakeholders, such as managers, heads of technology departments, and employees directly involved in implementing change.

The data collection techniques in this study include semi-structured interviews and observation. Semi-structured interviews allow the researcher to obtain more flexible and detailed information regarding respondents' experiences in dealing with change. In addition, direct observation of digital change implementation in the field will provide an added perspective on the internal dynamics occurring within the organization. The data obtained from interviews and observations will be analyzed using thematic analysis techniques, whereby the researcher will identify key themes emerging from the collected data to describe the challenges and solutions applied by organizations in navigating digital transformation.

To ensure the validity and credibility of the data, this study will also conduct triangulation by comparing information gathered from various sources, such as interviews with different informants and related organizational documentation. This aims to reduce bias and gain a more objective and accurate understanding of change management in the context of digital transformation.

RESULT AND DISCUSSION

Table 1: Analysis of Challenges in Digital Change Management

| Challenge | Description | Impact on Digital Transformation Success |
|------------------------------|-------------------------------------------------------------------|---------------------------------------------------------|
| Resistance to Change | Employees are reluctant or fearful of adapting to new technology. | Hinders the adoption of new technologies and processes. |
| Skills Gap | Employees lack the necessary digital skills to use new tools. | Reduces productivity and operational efficiency. |
| Lack of Visionary Leadership | Leaders are unable to motivate employees to embrace change. | Leads to confusion and failure to adapt effectively. |
| Communication Breakdown | Ineffective communication of change goals and benefits. | Creates misunderstandings and undermines commitment. |

Source : Data Processed in 2025

The table illustrates the primary challenges organizations face in managing digital transformation. "Resistance to Change" emerges as a significant obstacle, as employees' fear or reluctance to adopt new technologies directly hinders successful digital transformation. The "Skills Gap" further exacerbates the issue, as a lack of necessary skills among employees leads to inefficiencies and lower productivity. Additionally, the absence of visionary leadership makes it difficult to motivate and align employees with organizational change goals, which can result in confusion and poor execution of the transformation strategy. Lastly, "Communication Breakdown" is another key challenge, as ineffective communication about the objectives and benefits of digital change creates misunderstandings and decreases the likelihood of successful implementation.

Table 2: Leadership Impact on Change Management Success

| Leadership Level | Percentage of Employees |
|------------------|-------------------------|
| Excellent | 50% |
| Good | 30% |
| Average | 15% |
| Poor | 5% |

Source : Data Processed in 2025

This table highlights the correlation between leadership quality and the success of change management in organizations. According to the data, 50% of employees report that

excellent leadership has a positive impact on the success of digital transformation efforts. "Good" leadership accounts for 30% of employee perceptions, showing that while effective, it is not as impactful as exemplary leadership. However, 15% of employees believe the leadership is average, which may suggest a lack of clarity or direction in guiding the change process. Finally, only 5% of employees rate leadership as "poor," indicating that organizations with strong leadership are more likely to see success in managing digital change. This suggests that leadership quality is crucial in overcoming resistance and driving successful transformation.

Table 3: Steps in Digital Change Management Implementation

| Step | Description |
|------------------------------------|---------------------------------------------------------------------|
| Change Needs Analysis | Assessing organizational needs for digital transformation. |
| Training and Skill Development | Providing employees with necessary skills for new technologies. |
| Communication Strategy | Creating clear and consistent messaging about the change. |
| Implementation of New Technologies | Deploying the digital tools and processes in the organization. |
| Post-Implementation Evaluation | Reviewing the success of the transformation and making adjustments. |

Source : Data Processed in 2025

Table 3 presents the typical steps involved in implementing digital change management. The first step, "Change Needs Analysis," is crucial in understanding the specific requirements for the transformation process, ensuring that the initiative is aligned with organizational goals. Following this, "Training and Skill Development" equips employees with the digital skills necessary to adapt to new technologies. "Communication Strategy" is vital for ensuring transparency and reducing uncertainty among employees about the purpose and benefits of the transformation. The "Implementation of New Technologies" step focuses on integrating digital tools into daily operations. Finally, the "Post-Implementation Evaluation" step is essential for assessing the success of the digital changes and identifying areas for improvement to refine future efforts.



Fig. 1 Flow Diagram of Digital Change Management Implementation

Main Challenges in Digital Change Management

This study identifies several main challenges faced by organizations in digital change management. One of the biggest challenges is resistance to change, which often arises due to employees' anxiety over new technologies. Many employees feel threatened by the adoption of digital technologies because they fear losing their jobs or being unable to keep up with the changes. This phenomenon is exacerbated by the digital skills gap, where many employees lack adequate skills to work with new digital tools and systems. This creates discomfort and decreased productivity, thereby slowing down the organization's digitization process. Additionally, a lack of skilled leadership in managing change is also a major obstacle. Leaders who lack a deep understanding of technology or are unable to clearly communicate the vision of change can create confusion and uncertainty within the organization. Many leaders feel intimidated by the speed of digital change and do not know how to motivate their teams to adapt. Furthermore, a rigid organizational culture is another inhibiting factor. Organizations with highly hierarchical and traditional cultures often struggle to make space for innovation and change, thereby slowing the adoption of technology and the implementation of more flexible digital strategies.

Strategies Used to Overcome the Challenges

To overcome these challenges, this study reveals that organizations that succeed in digital transformation generally implement several effective strategies. One of them is employee education and training. Organizations that invest in developing employees' digital skills through structured and continuous training tend to successfully reduce discomfort and increase employees' confidence in using new technologies. This training also helps alleviate concerns about job loss, as employees feel more prepared to adapt to ongoing changes. Furthermore, effective communication strategies have proven to be key in reducing resistance to change. Organizations that succeed in digital change management often devise clear and open communication strategies regarding the objectives and benefits of the transformation. Leaders who are transparent in conveying their vision and provide information regularly can build trust among employees, which is essential to maintaining their engagement and commitment throughout the change process. This study also shows that strong and visionary leadership plays an important role in the success of digital transformation. Leaders who can provide direction, offer inspiration, and support change through real actions can help steer the organization through the challenges of change.

The Influence of Change Management on the Success of Digital Transformation

The results of this study show that effective change management has a significant impact on the success of digital transformation within organizations. Cultural change is one of the most significant aspects of this process. Organizations that successfully manage change not only adopt new technologies but also successfully transform their internal culture to become more open and collaborative. This change enables organizations to be more flexible and responsive to the ever-evolving demands of the market. Additionally, the proper implementation of digital technology can drive improvements in efficiency and productivity, where previously manual and time-consuming processes can now be automated, reducing operational costs and increasing output. Another positive impact of digital transformation is the improvement in customer experience. Organizations that succeed in digitalization are often able to offer faster, more personalized services and are more responsive to customer needs. The technologies implemented enable organizations to better understand customer preferences and deliver more targeted services. This not only increases customer satisfaction but also strengthens their loyalty to the brand.

Differences in Challenges Based on Organization Type

This study also found that the challenges faced in digital change management vary based on the size and sector of the organization. Large organizations tend to face challenges in terms of interdepartmental coordination and integration of various separate digital systems. Poor communication between departments and lack of synchronization in technology implementation can hinder the transformation process. Meanwhile, smaller organizations often face limitations in terms of resources, both in financial capacity and in the number of trained employees. Small organizations usually have to be more creative in leveraging their limited resources to carry out digital transformation. Additionally, differences between the public and private sectors also affect how organizations face digital change. Public sector organizations, with tighter bureaucracies, are often slower in adopting new technologies and take longer to adjust internal policies and procedures. On the other hand, private sector organizations tend to be more flexible and responsive to technological changes, but they are also faced with the challenge of maintaining a sustainable culture of innovation to avoid becoming stuck in the status quo.

Solutions and Best Practices Identified

From the results of this study, several solutions and best practices in digital change management were identified that can be adopted by various types of organizations. One of the most effective solutions is a gradual approach to implementing change. Organizations that start with pilot projects or phased implementation, allowing time for employees to adapt and provide feedback, tend to be more successful compared to those that attempt to implement massive changes all at once. A gradual approach allows organizations to identify problems early and address them before the change is rolled out completely. In addition, collaboration with third parties, such as technology consultants or software vendors, was also found to be an effective solution to support organizations in addressing complex technical challenges. These third parties can help fill skill gaps and provide the technical expertise necessary to ensure successful technology implementation. The use of cloud-based technology has also become one of the solutions adopted by many organizations. Cloud computing allows organizations to integrate new systems more easily and flexibly and facilitates better collaboration between departments and teams.

Challenges in Digital Change Management

In this study, it was found that one of the biggest challenges faced by organizations in digital change management is resistance to change. This reflects a phenomenon that often occurs in many organizations, where employees feel uncomfortable with changes that come so quickly, especially those related to new technologies. This resistance is often caused by uncertainty arising from fear of job loss or difficulties adapting to new tools and systems. This leads to decreased employee motivation and engagement, ultimately hindering the smooth implementation of digital transformation. Moreover, the study also revealed that the digital skills gap is a major issue that worsens resistance to change. Organizations often face challenges in upgrading employees' digital skills to keep up with rapid technological developments. This phenomenon is further exacerbated by varying levels of technological knowledge among employees, thus requiring extra effort to ensure that every individual receives training suited to their skill level. If not addressed, this gap can lead to productivity discrepancies within the organization and reduce overall efficiency. However, the study also indicates that these challenges are not insurmountable. Organizations that successfully implement digital change management are often able to leverage strong and visionary leadership to overcome this resistance. Leaders who can provide a clear vision and convince employees of the long-term benefits of digital change play a very important role. Attentive leadership, which listens to

employees' concerns and provides the necessary support, helps build confidence among employees and reduces fear of change.

Effective Strategies in Managing Digital Change

Several strategies implemented by successful organizations have also proven effective in addressing these challenges. One of the most prominent is the approach of training and developing employee skills. Organizations that regularly provide training and workshops to improve employees' digital skills tend to be more successful in reducing resistance to change. Moreover, providing access to online learning platforms and technology-based learning tools enables employees to learn in a more flexible manner, reducing the stress that may arise from rapid changes. However, this study also emphasizes that clear and effective communication plays an equally important role. In many cases, unclear objectives of change and the benefits to be achieved can add to the confusion among employees. Organizations that succeed in digital change management are those that can effectively communicate the reasons behind digital transformation and how the changes will impact each individual within the organization. With regular open communication, stakeholders can exchange information and jointly resolve issues, thereby smoothing the adaptation process. Additionally, technology-based solutions such as the implementation of cloud-based technologies enable organizations to overcome existing technical challenges. With cloud technology, organizations can more easily integrate new systems and applications, reducing reliance on expensive and complex IT infrastructure. Cloud technology also supports better collaboration between departments and diverse teams, which is crucial in the context of digital transformation.

The Impact of Change Management on the Success of Digital Transformation

This study also shows that effective change management plays a major role in the success of digital transformation. One significant impact is the change in organizational culture. Organizations that succeed in digital implementation not only change the technologies they use but also successfully transform their internal culture to be more flexible, open, and collaborative. An organizational culture that is more open to innovation allows organizations to adapt more quickly to changes and support new technological initiatives. The implementation of digital technology also provides a tangible increase in efficiency. Organizations that succeed in digital transformation experience increases in employee productivity because many manual tasks can be replaced with automation performed by technology-based systems. This not only reduces operational costs but also enables employees to focus on more strategic and value-added tasks. The findings of this study are in line with existing literature showing that digitalization can accelerate business processes and reduce time and resource waste.

Differences in Challenges Based on Organization Type

This study also found that differences between large and small organizations affect how they manage digital change. Large organizations tend to face challenges related to interdepartmental coordination, especially when digital implementation involves the integration of complex systems. This can hinder the transformation process if not managed well. On the other hand, small organizations are often more agile, but they may struggle to maintain sufficient resources to execute effective digital transformation. Therefore, small organizations need to be more creative in utilizing existing technologies and finding efficient solutions in managing change.

Solutions and Best Practices Found

From the results of this study, it was found that several solutions and best practices in digital change management can be adopted by various types of organizations. One of the most effective solutions is a phased approach to implementing changes. Organizations that start with pilot projects or gradual implementation, giving employees time to adapt

and provide feedback, tend to be more successful compared to those that try to implement large-scale changes all at once. This phased approach allows organizations to identify problems early and fix them before the changes are applied comprehensively. In addition, collaboration with third parties, such as technology consultants or software vendors, was also found to be an effective solution to support organizations in facing complex technical challenges. These third parties can help fill skill gaps and provide the necessary technical expertise to ensure successful technology implementation. The use of cloud-based technology is also one of the solutions adopted by many organizations. Cloud computing enables organizations to integrate new systems more easily and flexibly, as well as facilitate better collaboration between departments and teams.

CONCLUSION

The findings also indicate that the success of digital transformation largely depends on effective change management. Organizations that can integrate technology with an adaptive and innovative organizational culture can improve operational efficiency, enhance customer experience, and create a more productive work environment. Furthermore, this study highlights the differing challenges faced by large and small organizations, as well as between the public and private sectors, in adopting digital change necessitating different approaches to change management. Therefore, for organizations aiming to succeed in the digital era, it is essential to have a clear change plan, ensure the involvement of all stakeholders, and support employees in navigating technological change.

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